

PROPOSED LAND TRANSACTIONS

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GREEN SHEET

Meeting/Workshop: April 8 & 9, 2011

Agenda Item: PROPOSED LAND TRANSACTIONS

Staff Contact: Dan Budd

Presenter: Dan Budd

Background:

The Department is recommending the following actions:

Item 1 - Proposed acquisition of 55.81 acres in Wahkiakum County

Item 2 - Proposed acquisition of 33.54 acres in Okanogan County

Item 3 - Proposed acquisition of 230.66 acres in Okanogan County

Item 4 - Proposed acquisition of 40 acres in Okanogan County

Item 5 - Proposed acquisition of 92.43 acres in Okanogan County

Item 6 - Proposed lease/purchase of 120 acres of WDNR land in Whatcom County

Item 7 - Proposed lease/purchase of 2,543 acres of WDNR land in Chelan County

Policy issue(s) you are bringing to the Commission for consideration:

Protection of critical fish and wildlife habitat and providing public recreational opportunity.

Public involvement process used and what you learned:

Item 1 – This project was funded through a federal competitive grant process and has been reviewed with local government. The Wahkiakum County Port District #2 held several public meetings and has identified this acquisition as part of their comprehensive plan.

Items 2, 3, 4 and 5 – These transactions are a continuation of the Methow Watershed and the Okanogan-Similkameen projects which have been reviewed with Okanogan County government on numerous occasions. WDFW continues to meet regularly with the Okanogan County commissioners to provide updates and most recently, specific maps of the transactions.

Items 6 and 7 – These transactions are funded through the Trust Land Transfer program. This program, funded through the 09-11 Capital Budget involves legislative review of each proposed transfer. Legislative direction is provided to both Department of Natural Resources and Department of Fish and Wildlife.

Action requested (identify the specific Commission decisions you are seeking):

Approval of the proposed land transactions as presented.

Draft motion language:

Move to approve the proposed land transactions as presented.

Justification for Commission action:

These actions will protect critical fish and wildlife habitat and provide public recreational opportunity.

**Budget Detail for April 8-9, 2011 Fish and Wildlife Commission Meeting
Land Acquisition Agenda Item**

Item	Acres	Purchase Price	Project Name	*Fund Source	Approp. Authority	Approp. Balance	Original Grant Amount	Pre Action Grant Balance	**Post Action Grant Balance
Player-Walrath	55.81	\$ 455,000	Grays Bay Estuary	USFWS - CWG	Q53	\$ 24,443,573	\$ 700,000	\$ 667,970	\$ 199,320
Hebert	33.54	\$ 235,000	Methow Watershed PH 5	RCO-WWRP	Z41		\$ 4,692,465	\$ 278,797	\$ 36,747
D. Breed	230.66	\$ 1,315,000	Methow Watershed PH 6	RCO-WWRP	Z41		\$ 3,500,000	\$ 3,029,470	\$ 1,675,020
Magill	40	\$ 33,000	Okanogan -Similkameen Watershed PH2	USFWS - S6	Q53	\$ 23,974,923	\$ 4,000,000	\$ 2,340,250	\$ 2,306,260
Grove	92.43	\$ 157,000	Okanogan -Similkameen Watershed PH2	USFWS - S6	Q53	\$ 23,940,933	\$ 4,000,000	\$ 2,306,260	\$ 2,144,550
Stemilt Basin - WDNR	2,543	\$ 140,000	Stemilt Basin Acquisition	State 057	126	\$ 199,871	\$ 200,000	\$ 199,871	\$ 55,671

USFWS - CWG = United States Fish & Wildlife Service Coastal Wetland Grant
USFWS - S6 = United States Fish & Wildlife Service Section 6
WWRP = Washington Wildlife and Recreation Program
State 057 = State Building Construction Account

** Post Action Grant Balance

The reduction in the grant balance includes anticipated closing costs such as taxes, escrow fees and title insurance.

**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

**SUBJECT: ITEM 1: PROPOSED ACQUISITION OF THE PLAYER-WALRATH
PROPERTY, ALTOONA UNIT, MOUNT SAINT HELENS WILDLIFE
AREA, WAHKIAKUM COUNTY.**

The Department of Fish and Wildlife (WDFW) has secured an Option to purchase the 55.81-acre Player-Walrath property on the Deep River of Grays Bay in Wahkiakum County. This acquisition will be funded with a US Fish and Wildlife Service Coastal Wetlands Conservation grant. This project was approved through the 2009 WDFW Lands 20/20 evaluation process and authority for this acquisition is provided in the current capital budget.

This property is located approximately 6 miles east of Naselle and 4 miles west of Roseburg, south of Highway 4, near Svenson's Landing. The property is primarily low lying timberland and wetlands.

WDFW-ownership of this property will provide protection of estuarine intertidal emergent marsh, which is recognized as critical salmonids habitat. Additionally, this marsh complex provides habitat for 3,000-6,000 wintering ducks and geese, shorebirds, and raptors. Included with the property is a boat launch on Deep River that is the main boat access point for this reach of the Lower Columbia River. The boat launch is being shut down by its private owners. However, if the property is acquired by WDFW the Wahkiakum County Port District #2 will assist with operation of the boat launch to provide public boat access to the middle reaches of the Lower Columbia River.

The property will be managed within the Wildlife Program by Brian Calkins as part of the Altoona Unit of the Mount Saint Helens Wildlife Area. Operation and maintenance costs are anticipated to be \$2,000 annually. Funding will be provided from the existing wildlife area budget.

The Department has secured an option to purchase this property at the reviewed and approved appraised value of:

\$455,000 for 55.81 acres

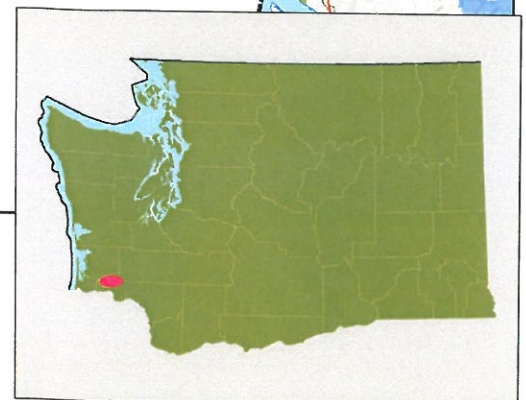
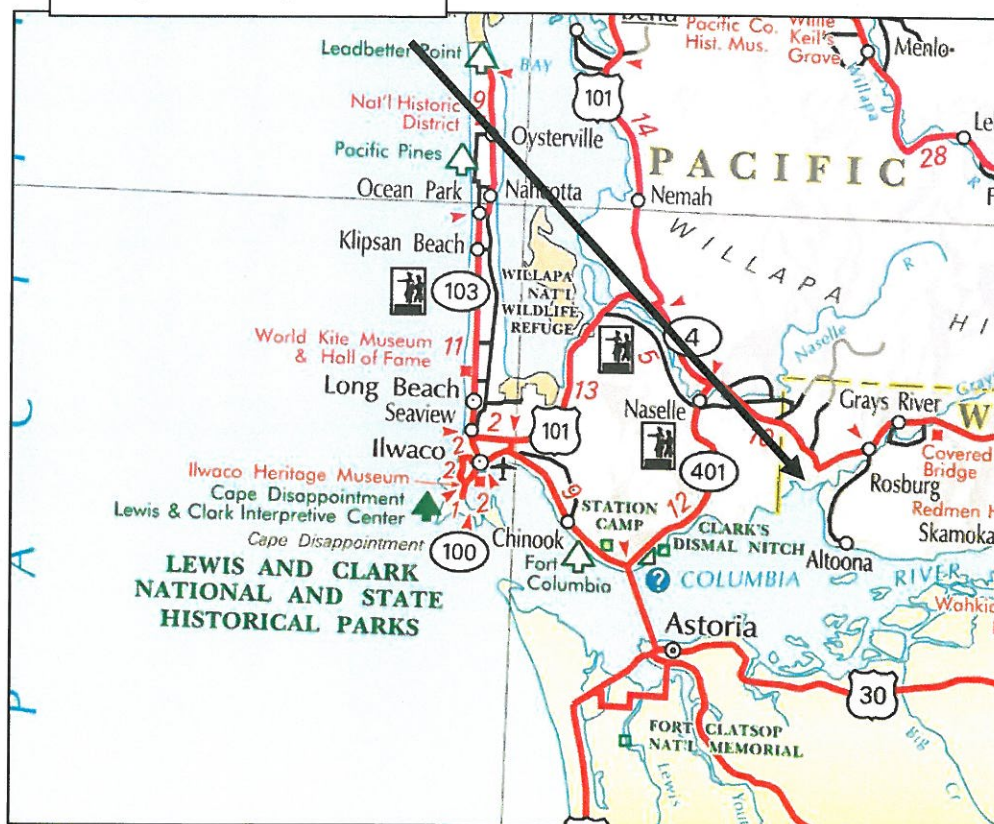
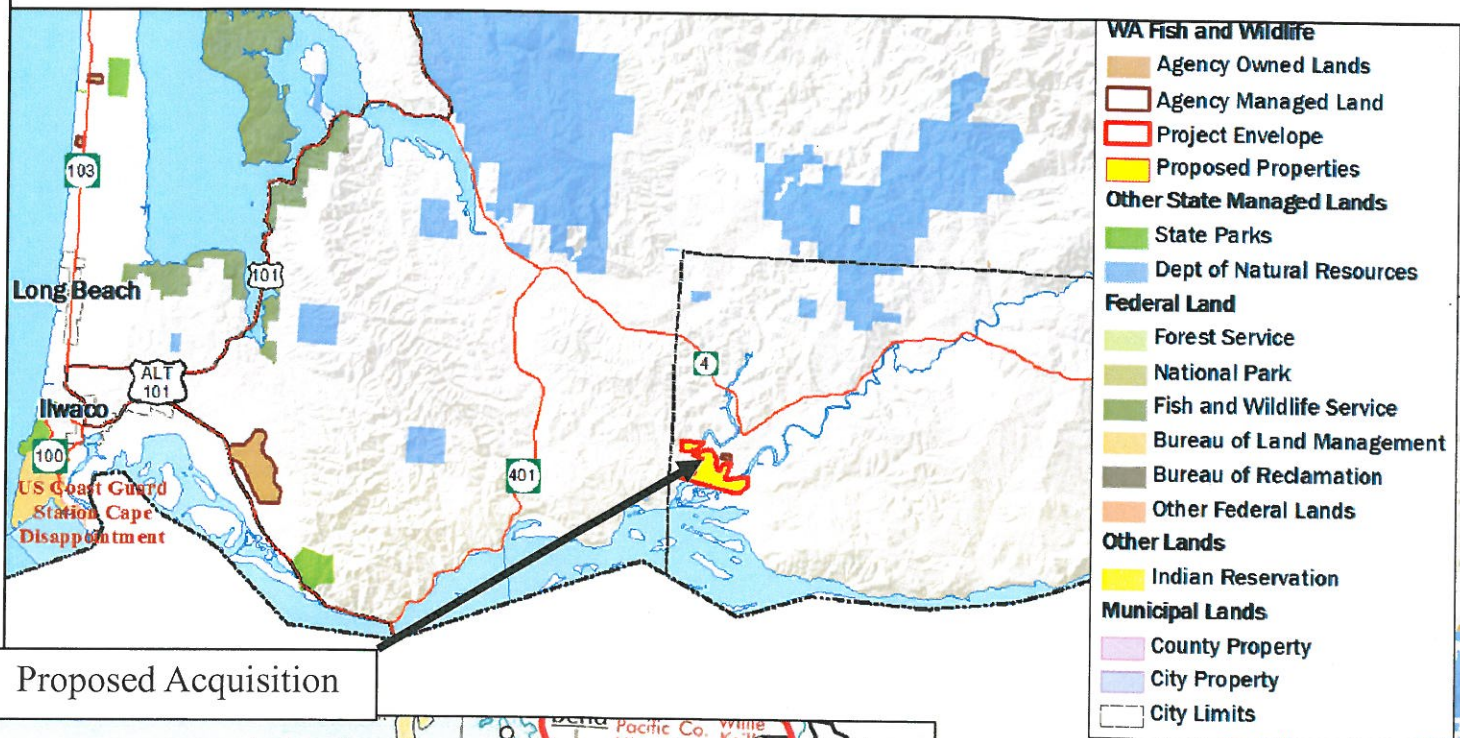
The Department recommends the Commission approve the acquisition of the 55.81-acre Player-Walrath property for the appraised value of \$455,000.

ITEM 1: PROPOSED ACQUISITION PLAYER -WALRATH

COUNTY: WAHKIAKUM COUNTY

LEGAL: SECTION 31, TOWNSHIP 10N, RANGE 8W, W.M.

ACRES: 55.81

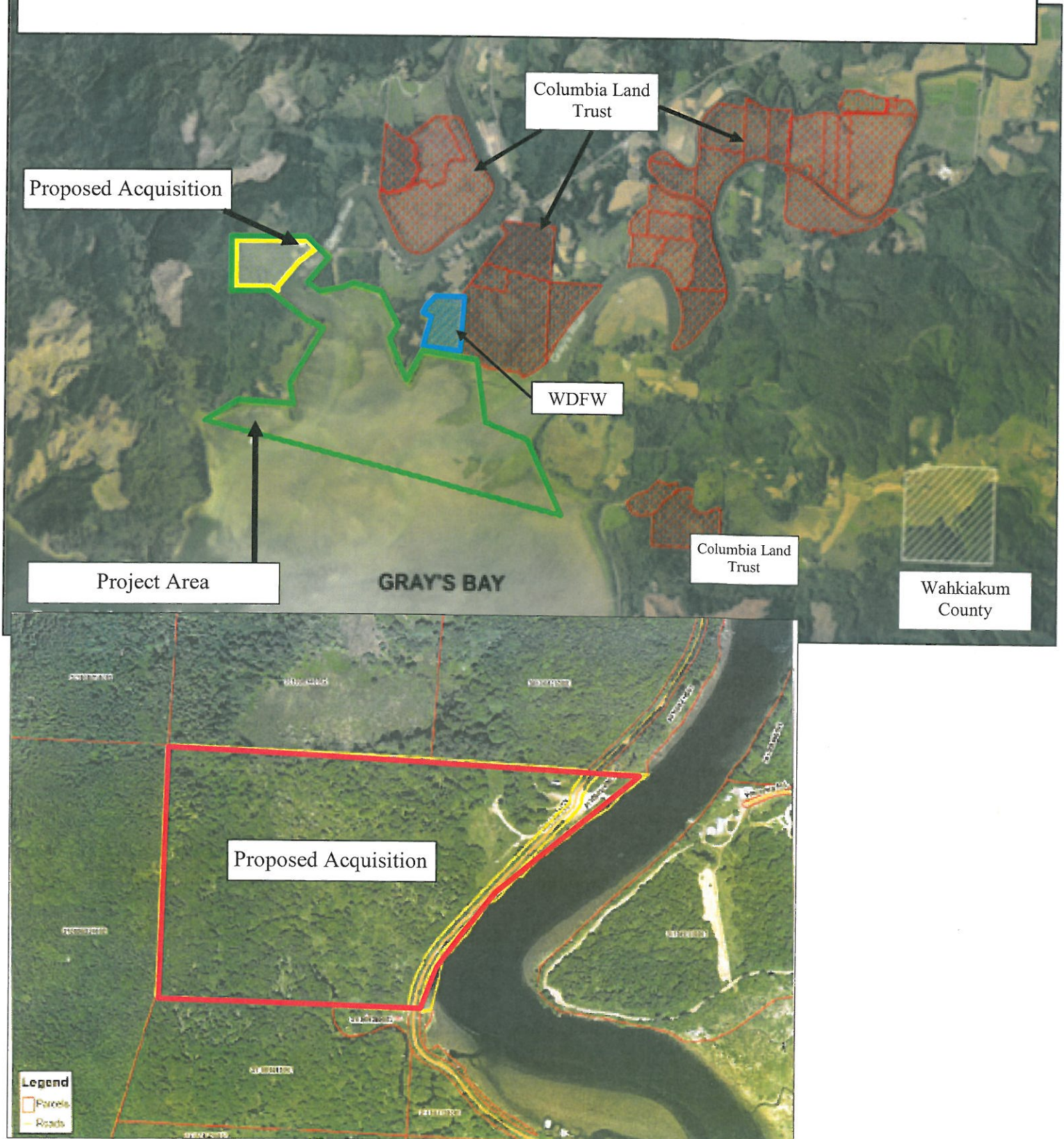


ITEM 1: PROPOSED ACQUISITION PLAYER WALRATH

COUNTY: WAHKIAKUM COUNTY

LEGAL: SECTION 31, TOWNSHIP 10N, RANGE 8W, W.M.

ACRES: 55.81



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **ITEM 2: PROPOSED ACQUISITION OF THE HEBERT PROPERTY,
METHOW WILDLIFE AREA, OKANOGAN COUNTY**

The Department of Fish and Wildlife (WDFW) has successfully negotiated an option to purchase a 33.54-acre property on Beaver Creek, adjacent to WDFW-owned lands. This acquisition will be funded by grants from the Washington Wildlife and Recreation Program under the Riparian Habitat category and the U.S. Fish and Wildlife Service Section 6 Program. This project was approved in the 2009 WDFW Lands 20/20 evaluation process and authority for this for acquisition is provided in the current capital budget.

This property is located in Okanogan County, approximately 5 miles northeast of Twisp and 9 miles southeast of Winthrop, on Upper Beaver Creek Road. The property has Beaver Creek flowing along the east side of the property, with WDFW lands adjacent to the north and west and Okanogan National Forest lands adjacent to the east.

Beaver Creek provides habitat for bull trout and migrating anadromous salmonids, including cobble and riffle spawning habitat and juvenile rearing habitat. The property, comprised mainly of shrub steppe habitat, provides habitat for songbird breeding, nesting, rearing, and foraging and also provides habitat for mule deer, which assures the requisite prey base for recovery of large carnivores in the North Cascades.

The property will be managed within the Wildlife Program by Tom McCoy as part of the Methow Wildlife Area. Operation and maintenance costs are anticipated to be \$550 annually to address weed control and litter issues. Payments in lieu of property tax are estimated at \$200. Funding will be provided from the existing wildlife area budget.

The Department has secured an option to purchase this Property for the reviewed and approved appraised value of:

\$235,000 for 33.54 acres

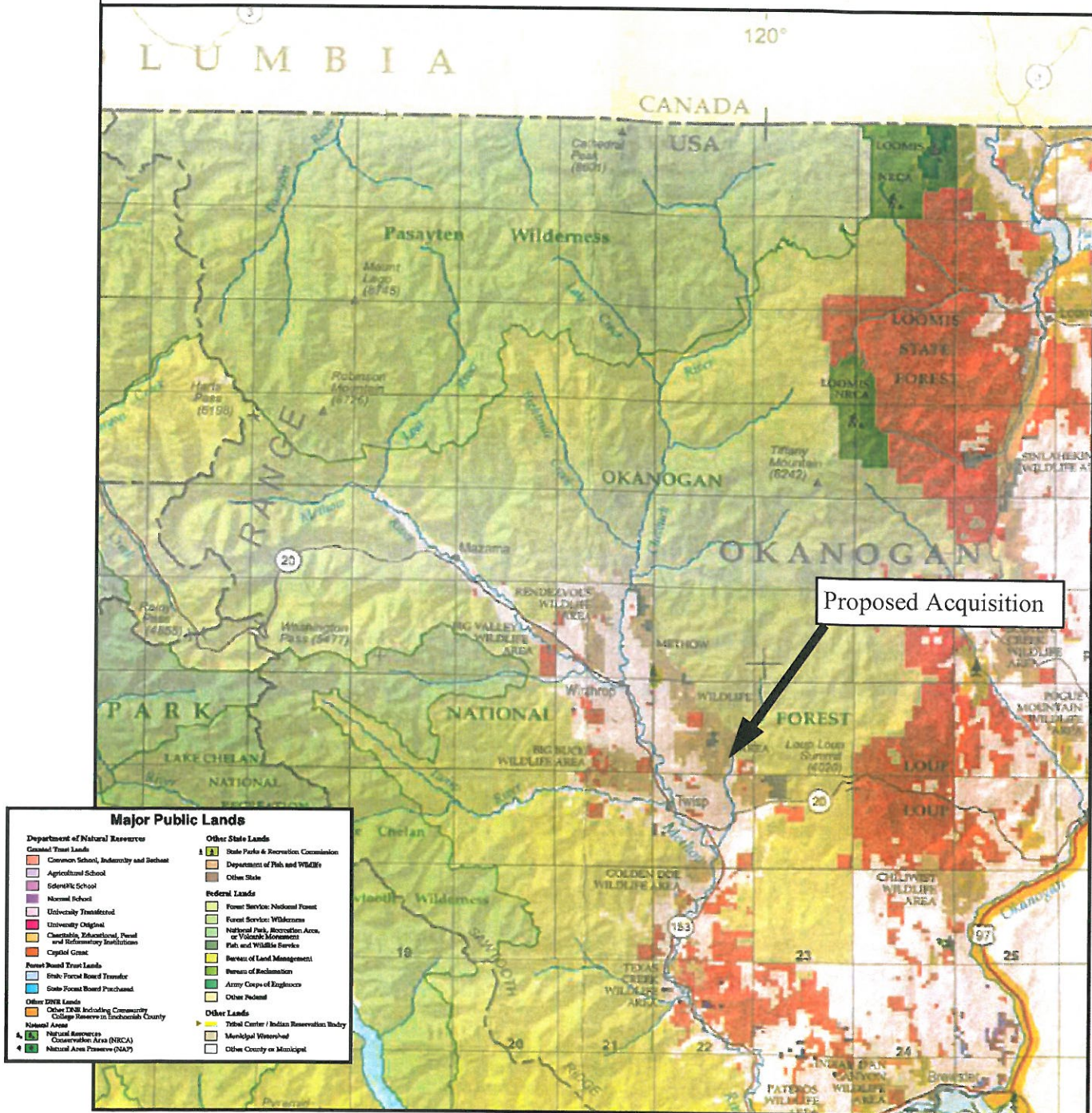
The Department recommends the Commission approve the acquisition of the 33.54-acre Hebert property for the appraised value of \$235,000.

**ITEM 2 : PROPOSED ACQUISITION
HEBERT PROPERTY**

COUNTY: OKANOGAN COUNTY

LEGAL: SECTION 26, TOWNSHIP 34 N, RANGE 22E, W.M.

ACRES: 19.54 ACRES

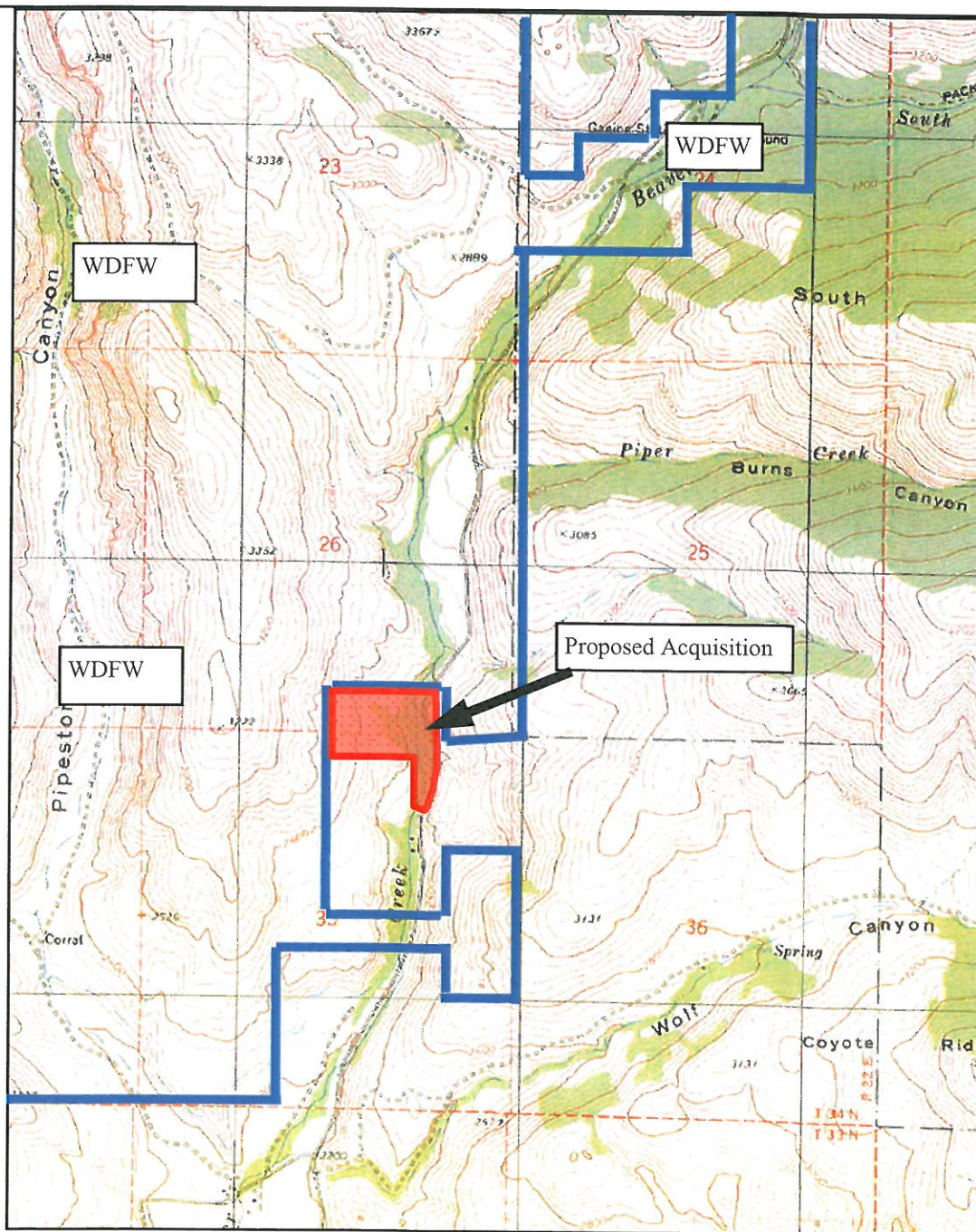


**ITEM 2 : PROPOSED ACQUISITION
HEBERT PROPERTY**

COUNTY: OKANOGAN COUNTY

LEGAL: SECTION 26, TOWNSHIP 34 N, RANGE 22E, W.M.

ACRES: 19.54 ACRES



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **ITEM 3: PROPOSED ACQUISITION OF THE D. BREED PROPERTY,
METHOW WILDLIFE AREA, OKANOGAN COUNTY**

The Department of Fish and Wildlife (WDFW) has successfully negotiated an option to purchase 230.66 acres in the Methow River Valley from Doug Breed. This acquisition will be funded by grants from the Washington Wildlife and Recreation Program and the U.S. Fish and Wildlife Service Section 6 Program. This project has been approved by the 2009 WDFW Lands 20/20 evaluation process and authority for this acquisition is provided in the current capital budget.

This property is located in Okanogan County, approximately 9 miles south of Twisp. The property is a combination of dry, native rangeland, some partly burnt forest or woodlot, and some irrigated tillable farmland. The elevation varies greatly, from the 1,350-foot valley floor up to 2,220-foot, where the west and southwest borders of the property are adjacent to the Okanogan National Forest. The property is also adjacent to WDFW lands to the south and Department of Natural Resources lands to the north.

The property provides critical seasonal cross valley migration habitat for mule deer and is encompassed in the known territory of the Lookout Mtn. wolf pack. Acquisition of this property will expand the public lands east-west corridor across the valley.

The property will be managed within the Wildlife Program by Tom McCoy as part of the Methow Wildlife Area. Operation and maintenance costs are anticipated to be \$3,680 annually to address weed control and litter issues. Payments in lieu of property tax are estimated at \$1,325. Funding will be provided from the existing wildlife area budget. The Department has been successful in negotiating the purchase of this property at the reviewed and approved appraised value of:

\$1,315,000 for 230.66 acres

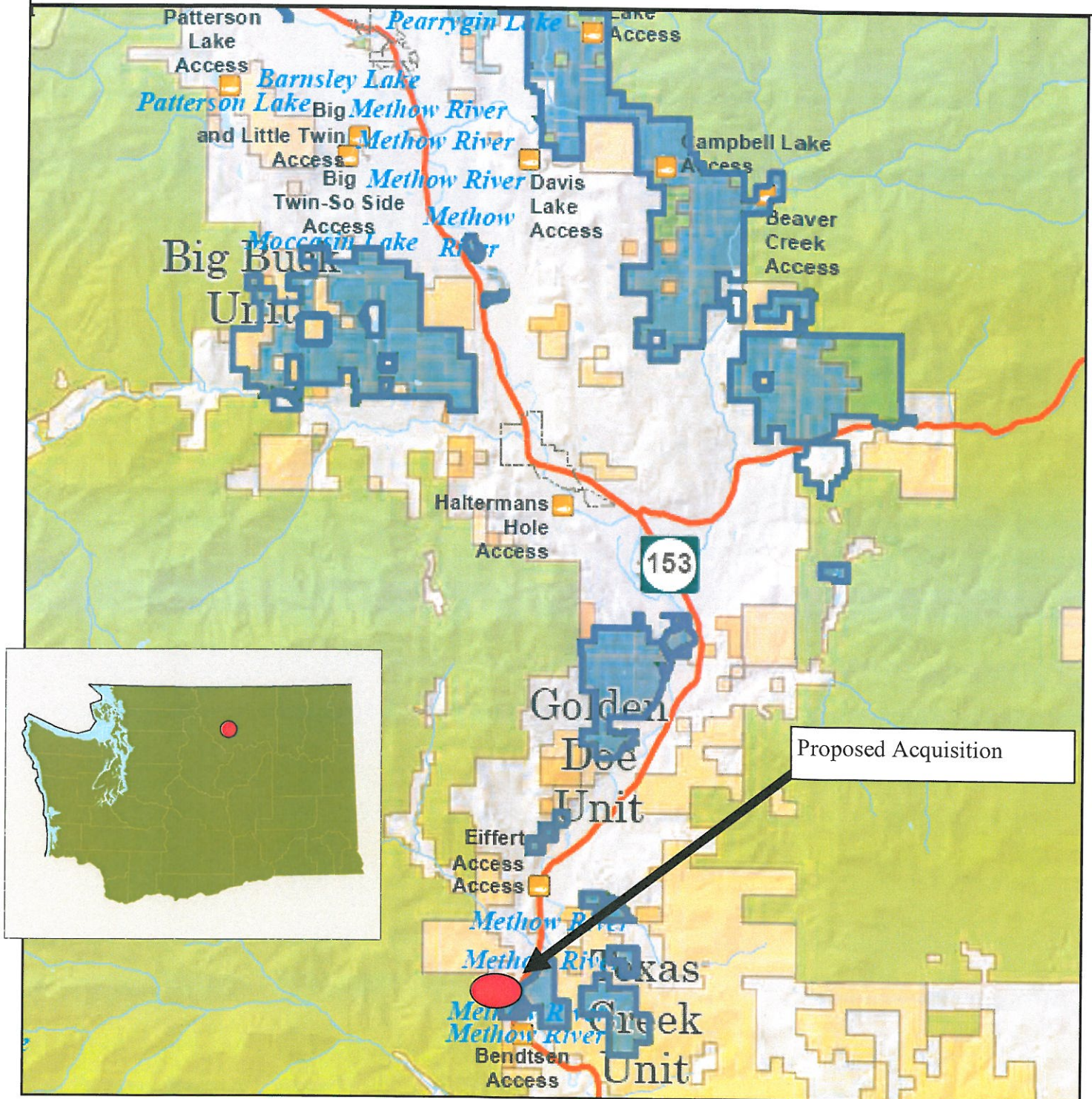
The Department recommends the Commission approve the acquisition of the 230.66-acre D. Breed property for the appraised value of \$1,315,000.

ITEM 3: PROPOSED ACQUISITION D. BREED PROPERTY

COUNTY: OKANOGAN COUNTY

LEGAL: SECTIONS 10, 11, 15, TOWNSHIP 33N, RANGE 22E, W.M.

ACRES: 230.66

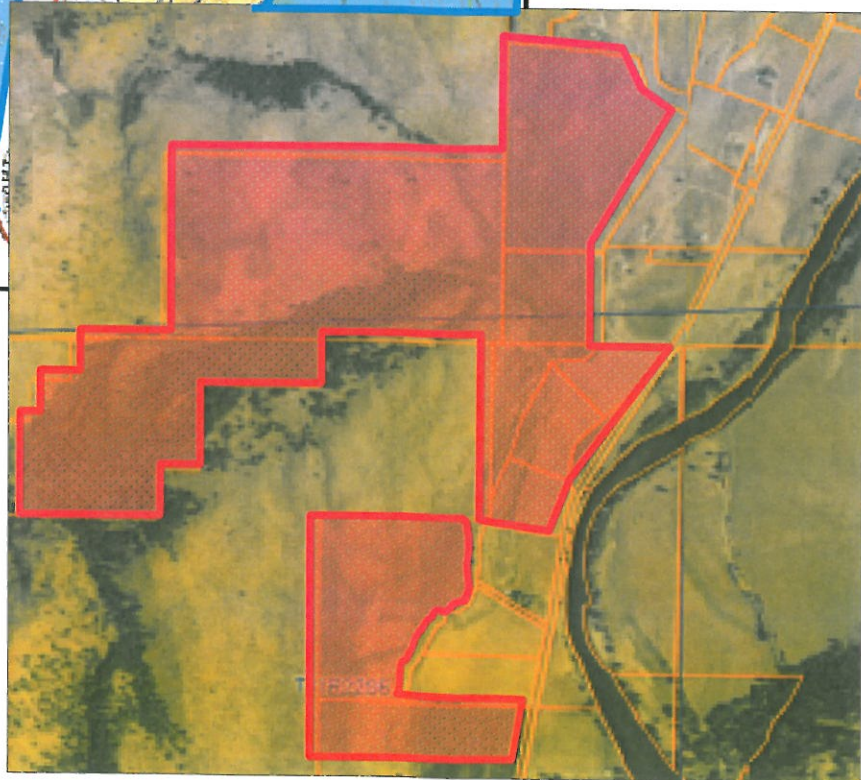
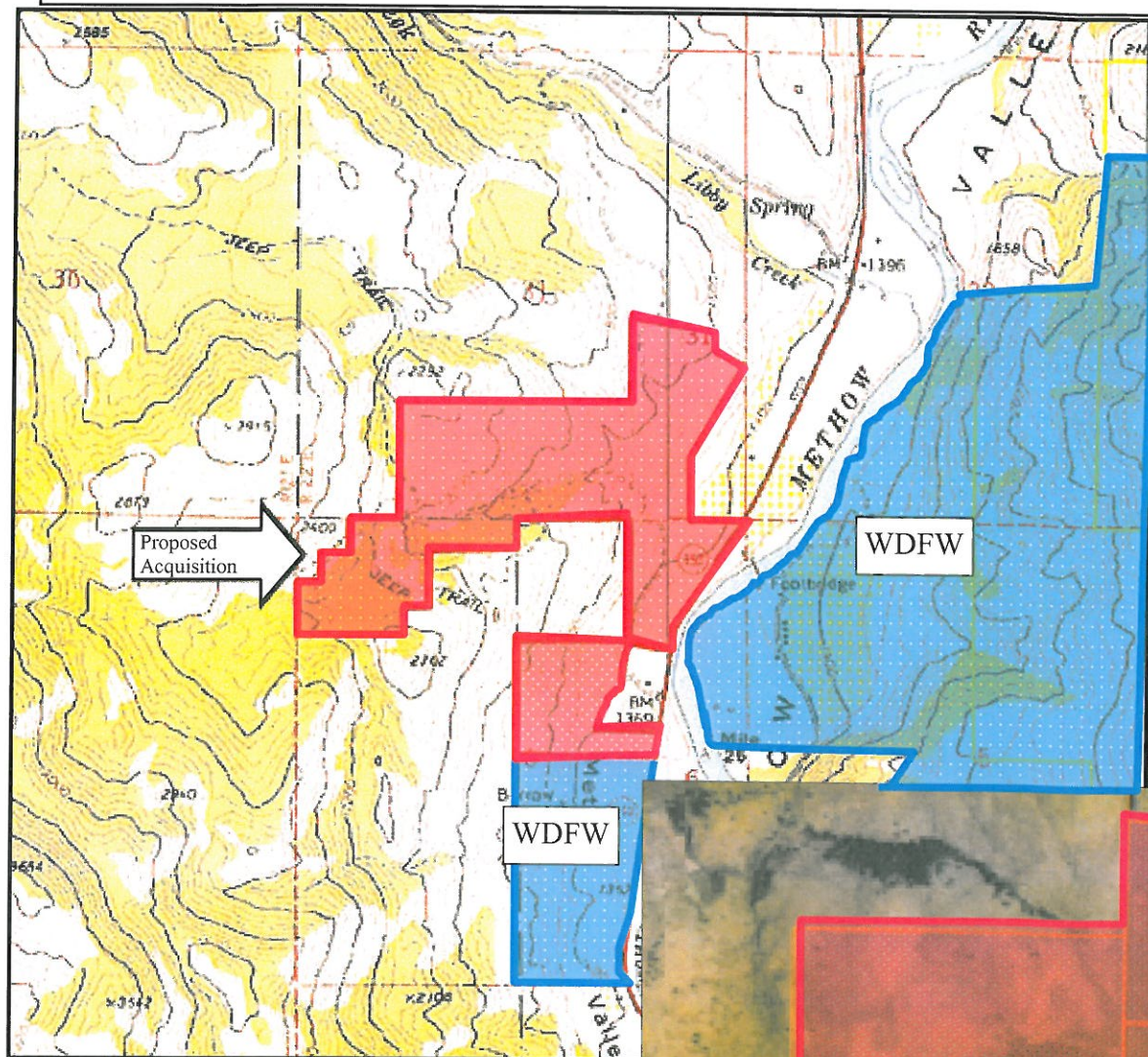


ITEM 3: PROPOSED ACQUISITION D. BREED PROPERTY

COUNTY: OKANOGAN COUNTY

LEGAL: SECTIONS 10, 11, 15, TOWNSHIP 33N, RANGE 22E, W.M.

ACRES: 230.66



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **ITEM 4: PROPOSED ACQUISITION OF THE MAGILL PROPERTY,
SINLAHEKIN WILDLIFE AREA, OKANOGAN COUNTY**

The Washington Department of Fish and Wildlife (WDFW) has successfully negotiated an option to purchase the 40-acre Magill property as part of the Okanogan – Similkameen watershed project. This acquisition will be funded by a grant from the U.S. Fish and Wildlife Service Section 6 Program. This project was approved in the 2009 WDFW Lands 20/20 evaluation process and authority for this for acquisition is provided in the current capital budget.

This Property is located approximately 5 miles south of the town of Tonasket and wholly surrounded by the 904 acre Johns property acquired by WDFW in 2010. The property is currently used for seasonal livestock grazing, in conjunction with the management of the WDFW land. However, unless acquired the threat is that the future use will be for development into rural residential housing which would include road development across the WDFW wildlife area.

Acquisition of this Property by WDFW will preserve it as shrub-steppe and further protect open space to facilitate movement of local and wide ranging wildlife across north central Okanogan County. In addition to the WDFW Johns property, it complements the adjacent 896-acre WDFW Buchert property and the 348-acre Oakes Conservation Easement.

The Property will be managed within the Wildlife Program by Dale Swedberg as part of the Sinlahekin Wildlife Area. Operation and maintenance costs are anticipated to be \$650 annually to address weed control and other routine stewardship issues. Annual payments in lieu of taxes to Okanogan County are estimated at \$230. Funding will be provided from the existing wildlife area budget.

The Department has secured an option to purchase this Property for the reviewed and approved appraised value of:

\$33,000 for 40 acres

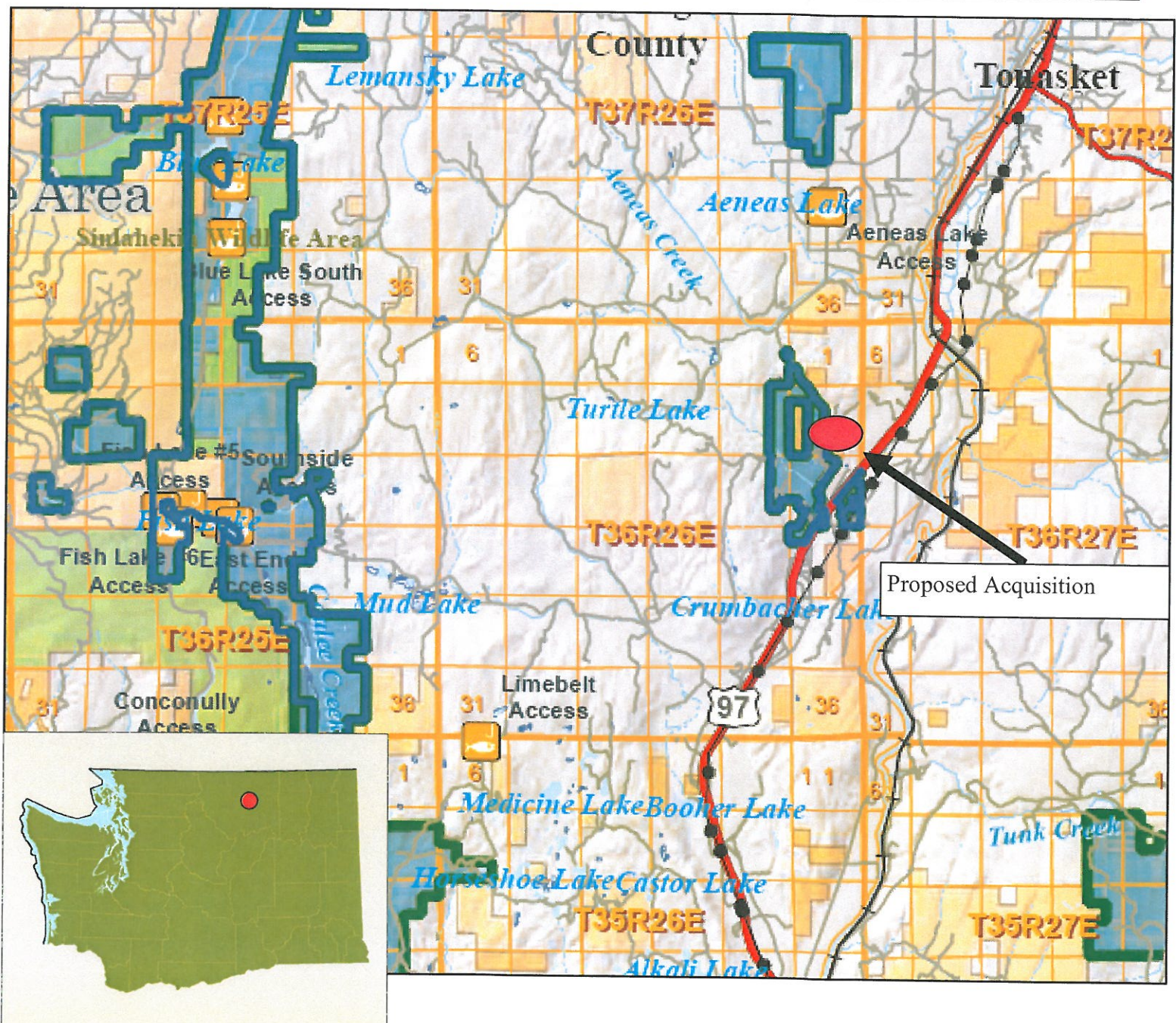
The Department recommends the Commission approve the acquisition of the 40-acre Magill property for the appraised value of \$33,000.

ITEM : 4 PROPOSED ACQUISITION MAGILL PROPERTY

COUNTY: OKANOGAN COUNTY

LEGAL: SECTION 12, TOWNSHIP 36N, RANGE 26E, W.M.

ACRES: 40.00

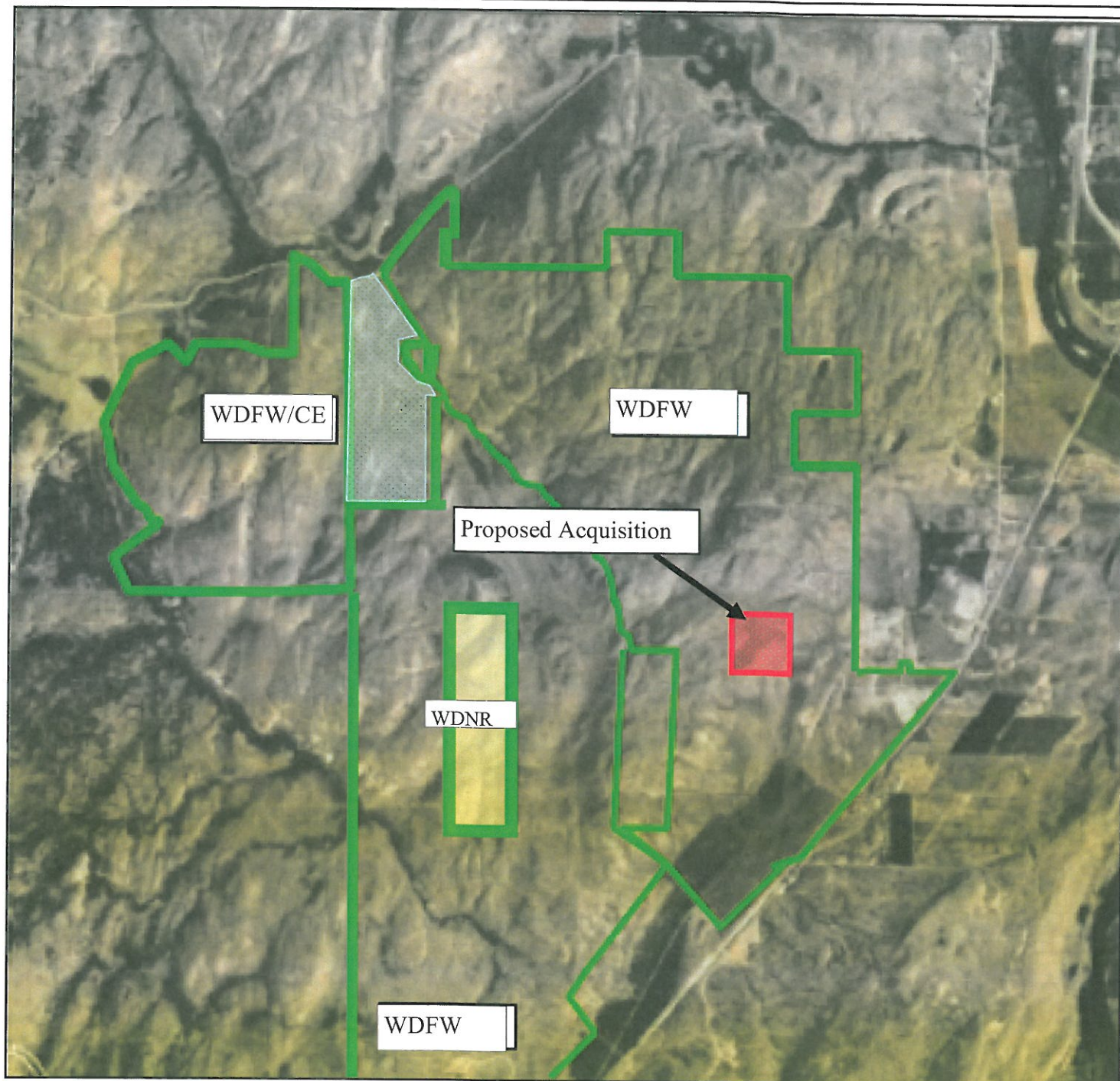


ITEM : 4 PROPOSED ACQUISITION MAGILL PROPERTY

COUNTY: OKANOGAN COUNTY

LEGAL: SECTION 12, TOWNSHIP 36N, RANGE 26E, W.M.

ACRES: 40.00



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **ITEM 5: PROPOSED ACQUISITION OF THE GROVE PROPERTY,
SINLAHEKIN WILDLIFE AREA, OKANOGAN COUNTY**

The Washington Department of Fish and Wildlife (WDFW) has successfully negotiated an option to purchase the 92.43-acre Grove property as part of the Okanogan – Similkameen watershed project. This acquisition will be funded by a grant from the U.S. Fish and Wildlife Service Section 6 Program. This project was approved in the 2009 WDFW Lands 20/20 evaluation process and authority for this for acquisition is provided in the current capital budget.

This Property is located 5 miles southwest of the town of Tonasket, on Pine Creek Road, and is bounded by WDFW ownerships – the 904-acre Johns property, the 896-acre Buchert property, and the 348-acre Oakes Conservation Easement. The property was historically used for farming and ranching but is now held for subdivision and development. Unless acquired by WDFW, the future use will be for development into rural residential housing, which would negatively impact the WDFW wildlife area. Acquisition of this Property by WDFW will preserve it as shrub-steppe and further protect open space to facilitate movement of local and wide ranging wildlife across north central Okanogan County.

The Property will be managed within the Wildlife Program by Dale Swedberg as part of the Sinlahekin Wildlife Area. Operation and maintenance costs are anticipated to be \$1,500 annually to address weed control and other routine stewardship issues. Annual payments in lieu of taxes to Okanogan County are estimated at \$550. Funding will be provided from the existing wildlife area budget.

The Department has secured an option to purchase this Property for the reviewed and approved appraised value of:

\$157,000 for 92.43 acres

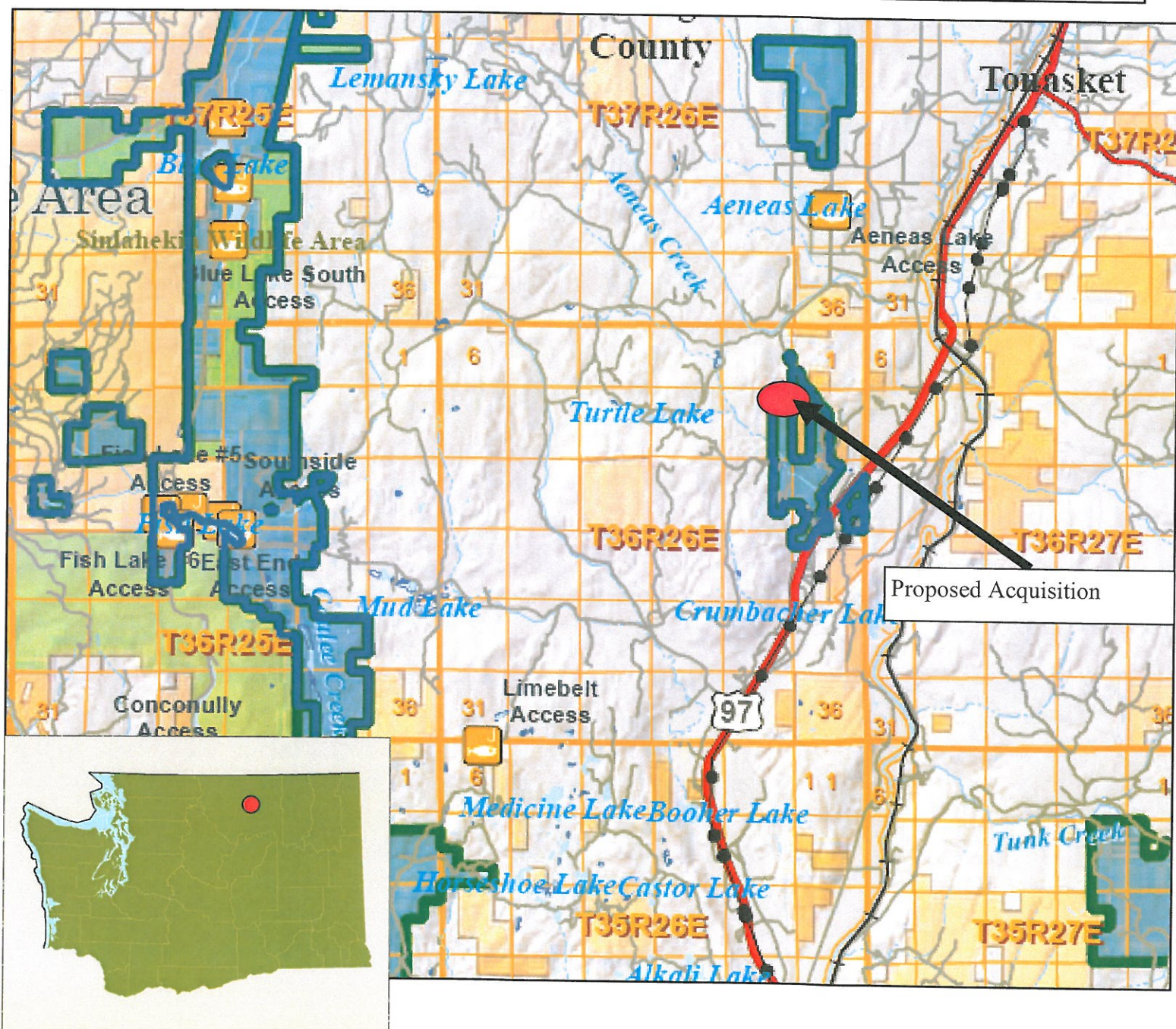
The Department recommends the Commission approve the acquisition of the 92.43-acre Grove property for the appraised value of \$157,000.

ITEM : 5 PROPOSED ACQUISITION GROVE PROPERTY

COUNTY: OKANOGAN COUNTY

LEGAL: SECTIONS 1&2, TOWNSHIP 36N, RANGE 25E, W.M.

ACRES: 92.43

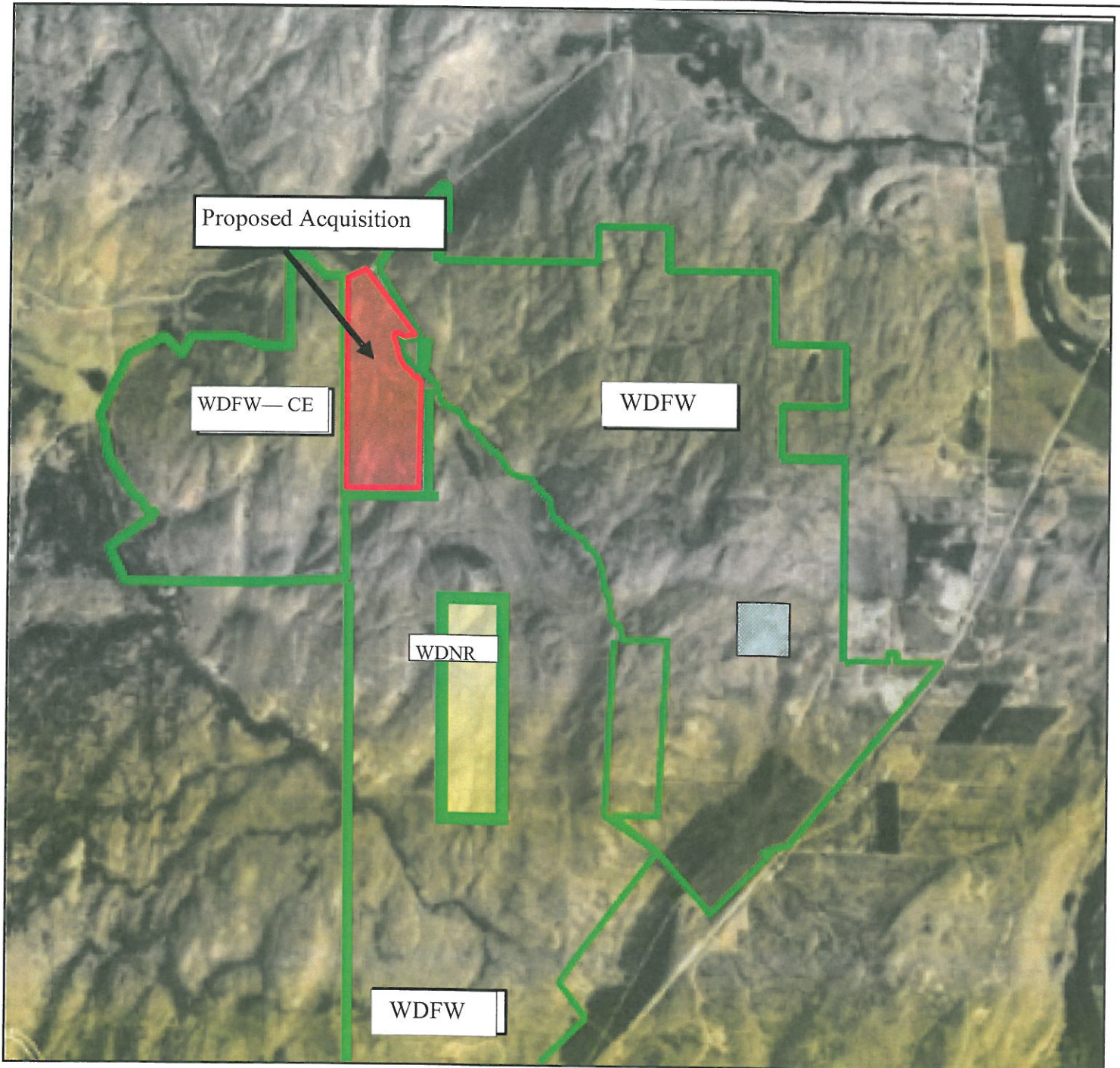


ITEM : 5 PROPOSED ACQUISITION GROVE PROPERTY

COUNTY: OKANOGAN COUNTY

LEGAL: SECTIONS 1&2, TOWNSHIP 36N, RANGE 25E, W.M.

ACRES: 92.43



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

MEMORANDUM

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **TRUST LAND TRANSFER PROGRAM OVERVIEW
DEPARTMENT OF NATURAL RESOURCES**

The Washington Department of Natural Resources is proposing to transfer management and control of two properties to the Washington Department of Fish and Wildlife through 50-year leasehold estates. These 50-year leases were authorized and will be funded through the 2009-2011 Trust Land Transfer Program.

The Trust Land Transfer Program was created to provide a vehicle to transfer Common School trust lands that have limited income production, and high ecological or recreational value, to a more appropriate public use. I have attached an explanation of the Trust Land Transfer Program provided by the Department of Natural Resources.

This program provides a unique opportunity for WDFW to ultimately acquire fee title to these lands for a small percentage of their total fair market value. The Trust Land Transfer Program pays for the value of the 50-year leasehold estate leaving only the value of the remaining fee title as encumbered by the lease to be addressed through other funding. The following Items 6 and 7 will provide a more detailed explanation of how this program applies to the current proposals.

2009-2011 Trust Land Transfer Program

INTRODUCTION

The Department of Natural Resources (DNR) manages more than 3 million acres of state trust forest, agricultural, range, and commercial properties that earn income to fund schools, universities, capitol buildings, and other state institutions and help fund local services in many counties. Trust lands also provide important habitat for fish and wildlife as well as recreation and educational opportunities for the general public. The DNR strives to improve returns from state trust lands; however, not all trust lands are best suited for income production.

The DNR, over time, has consolidated trust lands to improve economic returns through land sales, exchanges, and acquisitions. Low-income producing properties have been sold and replaced with properties that can be managed for greater returns for trust beneficiaries. Some state trust lands have important social or ecological values that are desirable to be managed for a special use or feature of importance rather than for economic return. The Trust Land Transfer (TLT) Program presents an opportunity to retain these special lands in public ownership while maintaining and improving economic returns to trust beneficiaries.

BENEFITS

The TLT Program provides an innovative means for the state Legislature, through the DNR, to fund school construction, dispose of non-performing assets, acquire replacement properties with high revenue generating potential, and protect and maintain, in public ownership, properties with important social or ecologic attributes. Specific benefits of the program are as follows:

- Provides funds for public school construction (K-12).
- Provides funds for acquisition of productive commercial, agricultural, and forestland to increase revenues for the Common School Trust.
- Disposes of under-performing trust lands.

Transfers to designated public agencies selected lands with statewide significance deemed appropriate for state park, fish and wildlife habitat, natural area preserves, natural resources conservation areas, public open space, or recreation purposes.

ASSET DIVERSIFICATION

The program provides funds to transfer special lands with underperforming income production potential from state trust ownership to a public agency that can manage the property for the intended use. As guided by legislation, funds from the transfer of these selected real properties are used to acquire productive commercial, agricultural, and forestlands as replacement properties. The program allows the DNR to slowly diversify the trust asset portfolio.

Forestlands and rural residential properties are transferred and replaced with a mix of forest, agricultural and commercial properties. This asset diversification helps to increase revenues and stabilize short and long term income expectations. Revenues from commercial buildings and irrigated agricultural crops provide stable annual returns not always available in the cyclical timber market. The DNR recognizes the importance of a strong commercial forest base and will also maintain and increase ownership of manageable commercial forest blocks.

The Legislature provided replacement funds this biennium that will be used to acquire forested properties that are at risk for development. This recognizes the importance of maintaining a working forest base in areas that might otherwise be developed for rural residential housing. The legislature also provided funds to lease development rights on the acquired "at risk" property. The lease value will be deposited to the Common School Construction Account to fund schools in the current biennium.

HOW THE PROGRAM WORKS

Some trust lands have low potential for income production due to factors such as steep, unstable slopes, critical fish and wildlife habitat, public use demands, environmental and social concerns, and other issues that complicate income production from certain trust lands. The DNR identifies a list of such properties each biennium for consideration by the Board of Natural Resources and the Legislature as candidates for the TLT program. One key criterion is that candidate properties, in aggregate, have a high timber to land value to ensure the greater part of the appropriation is deposited directly to fund school construction in the current biennium.

The DNR coordinates the review and prioritization of the proposed list of transfer properties with other state agencies and programs. Candidate properties are screened for special characteristics that distinguish the property from other income producing trust assets. An appropriate and receptive public agency or program is identified to receive and manage each of the candidate properties. To determine the approximate value of the proposed package, appraisal staff estimates the land and timber values for each property. The list, along with maps and property descriptions, are assembled into an informational package that is presented to the Board of Natural Resources and then to the Governor's Office for submission to the Legislature.

The Legislature reviews the proposal, determines the makeup of the final package, and sets an appropriation funding level. If approved, the transfer package is authorized and funded as a section in the Capital Budget Bill. Legislation establishes the property transfer list and identifies properties for fee transfer or for long term lease.

The DNR is authorized by legislation to implement the program and must complete the transfers within the biennium. The DNR coordinates with receiving agencies and completes market appraisals on all properties prior to transfer. Each transfer in fee ownership is presented to the Board of Natural Resources for final approval. Leases are approved and signed by the Commissioner of Public Lands. Some properties may not be transferred if they do not meet value expectations or are not acceptable for reasons unforeseen at the time of listing.

At transfer, legislation directs the timber (or lease) value to be deposited into the Common School Construction Account and the land value to be deposited into the Real Property Replacement Account. The timber value is then available for distribution by the Office of the Superintendent of Public Instruction to fund school construction (K-12) within the current biennium. The land value is used by the DNR to acquire other lands to be managed to provide current and future income for the Common School Trust. The program effectively provides immediate income and improves future revenue returns. The land is transferred, unaltered, to the appropriate receiving agency for management and protection of the special resource. Legislation

directs that a deed restriction be imposed that dedicates the land for the special public use intended.

Some properties with high land and low timber value are proposed as leases to be managed for public use by the receiving agency as indicated. Leasing has the advantage of allowing the entire lease value to be deposited into the Common School Construction Account just as timber revenue is deposited if the property is transferred in fee. Lease duration is usually for a period of 25-50 years and is renewable.

PROGRAM RESULTS

Since the program's start in 1989, through June 30, 2009, the Washington State Legislature has appropriated \$637,947,000 to fund the Trust Land Transfer Program. This has resulted in the transfer of about 96,708 acres of special Common School Trust property with low revenue producing capabilities to other public agencies or programs for protection and management. Of this:

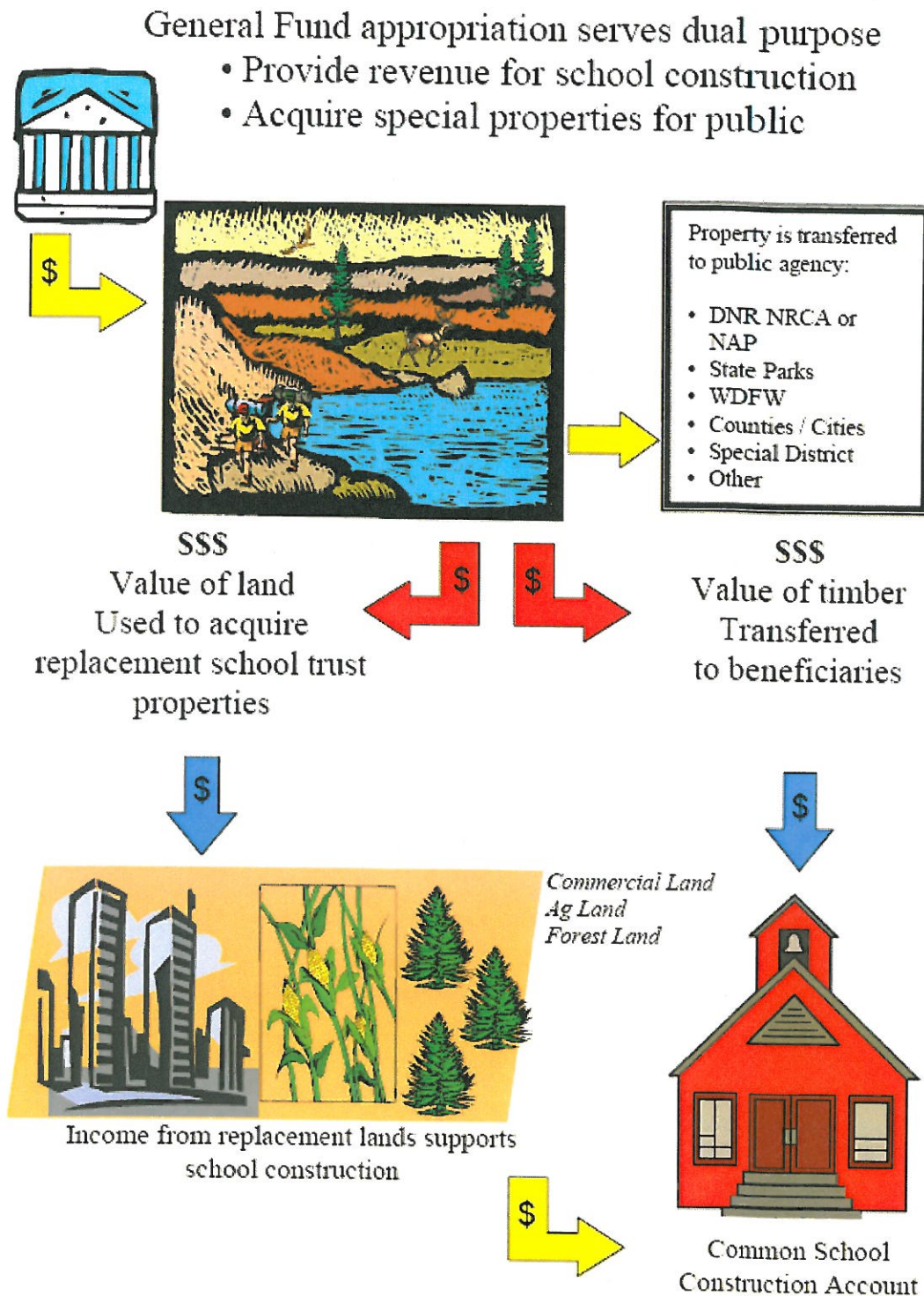
- About 95,050 acres have been transferred in fee ownership.
- Another 1,658 acres has been transferred as long term leases.

More than 82 percent of this almost \$638 million appropriation has been deposited into the Common School Construction Account.

Less than 16 percent, or about \$101 million of this same appropriation, has been used or is available to purchase forest, agricultural and commercial lands. These replacement lands are better suited to produce more revenue for the Common School Construction Account than the lands they replace.

Agencies receiving land through the TLT program include the DNR Natural Area Preserves and Natural Resources Conservation Areas programs, Washington State Department of Fish and Wildlife, Washington State Parks and Recreation Commission, county and city governments, and local public park districts.

Trust Land Transfer Program Diagram



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

MEMORANDUM

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **ITEM 6 - PROPOSED ACCEPTANCE OF TRUST LAND TRANSFER
PROPERTY FROM WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, WHATCOM COUNTY**

The Washington Department of Natural Resources is proposing to lease 120 acres in Whatcom County to the Washington Department of Fish and Wildlife. This 50-year lease was authorized and will be funded through the 2009-2011 Trust Land Transfer Program. The Trust Land Transfer Program was created to provide a vehicle to transfer Common School trust lands that have limited income production, and high ecological or recreational value, to a more appropriate public use. The 50-year lease cost of \$720,000, which will be paid by the Trust Land Transfer Program, represents more than 85% of the \$840,000 market value of the property. WDFW aims to raise the \$120,000 value of the remaining fee interest from grant sources for purchase of the property outright.

The 120 acre property adjoins the Lake Terrell unit of the Whatcom Wildlife Area. The 1,500-acre Lake Terrell unit is ten miles northwest of Bellingham. It includes Lake Terrell, a 500-acre man-made, shallow lake with two peat bog marshes on its south and southwest sides, and Terrell Creek. The unit is an important waterfowl used by Canada geese and wintering trumpeter and tundra swans. The north end of the wildlife area is a game reserve. The 120 acre property, although zoned light industrial, currently provides a buffer to the game reserve. Industrial development of this property would negatively impact the wildlife area and game reserve.

The property will be managed by the Wildlife Program as part of the Whatcom Wildlife Area. There will be no payment in-lieu of property tax. Operation and maintenance costs are estimated at \$1,920 annually.

The Department recommends that the Commission accept the 120 acres of Washington Department of Natural Resources Trust Land Transfer property in Whatcom County under a 50-year lease. The Department also recommends that the Commission approve the purchase of the remaining fee interest for \$120,000 if sufficient funds are secured.

**ITEM 6: PROPOSED LEASE/PURCHASE KICKERVILLE/TRUST LAND TRANSFER
DEPT. OF NATURAL RESOURCES**

COUNTY: WHATCOM COUNTY

LEGAL: SECTION 16, TOWNSHIP 39N, RANGE 1E, W.M.

ACRES: 120

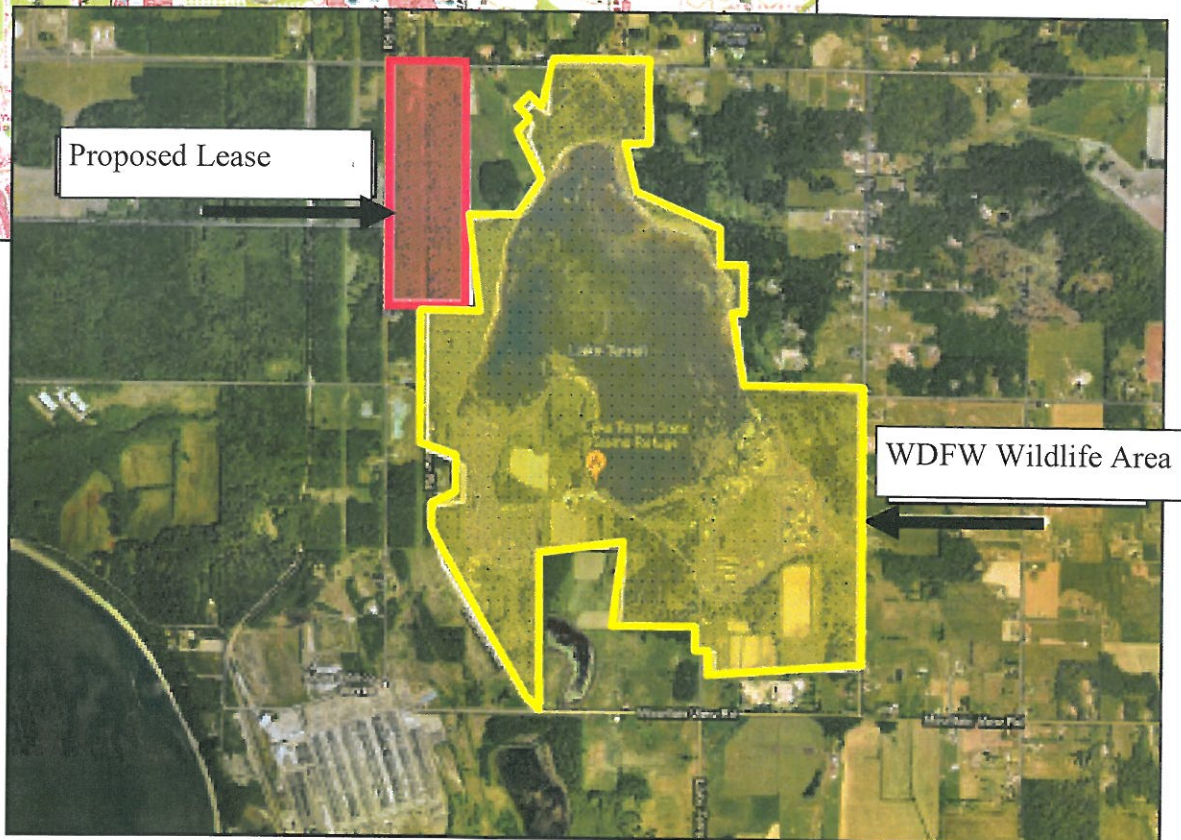
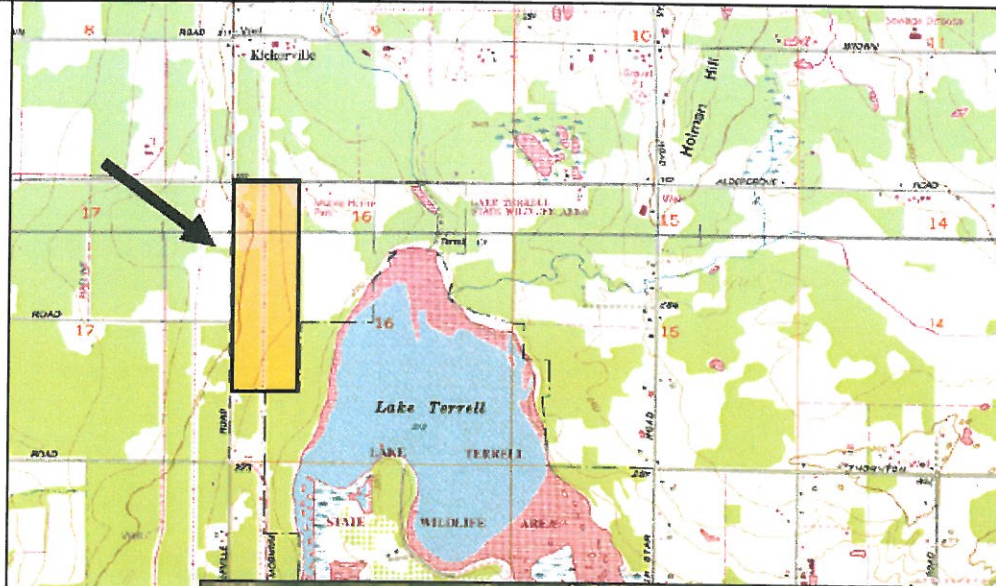


**ITEM 6: PROPOSED LEASE/PURCHASE KICKERVILLE/TRUST LAND TRANSFER
DEPT. OF NATURAL RESOURCES**

COUNTY: WHATCOM COUNTY

LEGAL: SECTION 16, TOWNSHIP 39N, RANGE 1E, W.M.

ACRES: 120



**STATE OF WASHINGTON
DEPARTMENT OF FISH AND WILDLIFE
WILDLIFE PROGRAM
LANDS DIVISION
REAL ESTATE SERVICES**

April 8, 2011

MEMORANDUM

TO: Philip Anderson
Director

FROM: Dan Budd
Real Estate Manager

SUBJECT: **ITEM 7 - PROPOSED ACCEPTANCE OF TRUST LAND TRANSFER
PROPERTY FROM WASHINGTON DEPARTMENT OF NATURAL
RESOURCES, STEMILT BASIN, CHELAN COUNTY**

The Washington Department of Natural Resources is proposing to lease 2,543 acres of land in Chelan County to the Washington Department of Fish and Wildlife. This 50-year lease was authorized and will be funded through the 2009-2011 Trust Land Transfer Program. The Trust Land Transfer Program was created to provide a vehicle to transfer Common School trust lands that have limited income production, and high ecological or recreational value, to a more appropriate public use. The 50-year lease cost of \$1,890,000 which will be paid by the Trust Land Transfer Program, represents more than 93% of the \$2,030,000 market value of the property. The \$140,000 value of the remaining fee interest will be provided by an appropriation in the current capital budget for acquisitions at Stemilt Basin.

The property includes four sections of forestland in the Stemilt Basin, north of the Colockum Wildlife Area, about 6 miles south of Wenatchee. This property supports a wide variety of habitats including shrub steppe, riparian, and mixed conifer forests. This project provides habitat protection for a wide range of at-risk species including white-headed woodpecker, marten and long-toed salamander. It also provides summer range for deer and elk.

The property will be managed by the Wildlife Program as part of the Colockum Wildlife Area. There will be no payments in lieu of property taxes. Operation and maintenance costs are estimated at \$40,750 annually.

The Department recommends that the Commission accept the 2,543 acres of Washington Department of Natural Resources Trust Land Transfer property in Chelan County under a 50-year lease. The Department also recommends that the Commission approve the purchase of the remaining fee interest for \$140,000.

ITEM 7: PROPOSED LEASE/PURCHASE STEMILT BASIN

COUNTY: CHELAN COUNTY

LEGAL: SECTIONS 16, 20, 22, 28 TOWNSHIP 21N, RANGE 20E, W.M.

ACRES: 2,560



ITEM 7: PROPOSED LEASE/PURCHASE STEMILT BASIN

COUNTY: CHELAN COUNTY

LEGAL: SECTIONS 16, 20, 22, 28 TOWNSHIP 21N, RANGE 20E, W.M.

ACRES: 2,560

